

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	June 30, 2015 (\$)	December 31, 2014 (\$)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 11)	229,320	428
Receivables (Note 9)	5,999	542,006
Prepaid expenses	288,601	23,740
	523,920	566,174
Non-Current Assets		
Equipment	26,350	-
Exploration and evaluation assets (Note 4)	614,302	269,989
Total Assets	1,164,572	836,163
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 10)	382,713	441,752
Long-Term Liabilities		
Due to related parties (Note 5)	506,523	352,354
Total Liabilities	889,236	794,106
EQUITY		
Share capital (Note 6)	9,360,414	9,047,914
Shares to be issued (Note 6)	2,541,910	1,930,830
Share-based payment reserve (Note 6)	633,496	633,496
Deficit	(12,260,484)	(11,570,183)
Total Equity	275,336	42,057
Total Liabilities and Equity	1,164,572	836,163

Nature of operations and going concern (Note 1)

Events after the reporting period (Note 15)

"Bernie Sostak", Director
Bernie Sostak

"Rob Tindall", Director
Rob Tindall

The accompanying notes are an integral part of these consolidated interim financial statements.

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	For the three months ended June 30, 2015 \$	For the three months ended June 30, 2014 \$	For the six months ended June 30, 2015 \$	For the six months ended June 30, 2014 \$
MINERAL PROPERTY EXPENSES (Note 4)	188,056	26,432	223,535	83,218
ADMINISTRATION EXPENSES				
Bank charges	1,211	2,365	1,740	3,706
Corporate communications	1,833	2,510	1,833	2,510
Consulting	1,024	206,181	115,708	488,211
Filing fees	21,178	12,548	29,033	40,334
Management fees (recovery) (Note 5)	171,174	(10,250)	201,174	29,840
Office	13,582	6,762	16,963	16,363
Professional fees (Note 5)	47,454	72,065	120,604	116,336
Project investigation costs (recovery)	(11,889)	34,768	11,367	171,010
Promotion	631	20,517	6,515	20,517
Travel	10,725	268	40,805	21,902
Total administration expenses	256,923	347,734	545,742	910,729
Loss before other items	444,979	374,166	769,277	993,947
Foreign exchange	(64,570)	7,772	(78,976)	34,788
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	380,409	381,938	690,301	1,028,735
Basic and diluted loss per common share	0.00	0.00	0.01	0.01
Weighted average number of common shares	81,104,168	78,950,322	80,105,018	78,558,057

The accompanying notes are an integral part of these consolidated interim financial statements.

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND JUNE 30, 2014
(Expressed in Canadian dollars)

	Issued Capital		Share-based	Deficit	Shares to be issued	Total Equity
	Shares	Amount (\$)	payment reserve (\$)			
Balance, December 31, 2013	77,950,322	8,922,914	633,496	(5,773,920)	607,744	4,390,234
Shares issued for acquisition	1,000,000	130,000	-	-	-	130,000
Share issuance costs - cash	-	(135,989)	-	-	-	(135,989)
Shares to be issued	-	-	-	-	1,172,177	1,172,177
Net and comprehensive loss for the period	-	-	-	(1,028,735)	-	(1,028,735)
Balance, June 30, 2014	78,950,322	8,916,925	633,496	(6,802,655)	1,779,921	4,527,687
Balance, December 31, 2014	78,950,322	9,047,914	633,496	(11,570,183)	1,930,830	42,057
Shares issued for acquisition	2,500,000	312,500	-	-	-	312,500
Shares to be issued	-	-	-	-	611,080	611,080
Net and comprehensive loss for the period	-	-	-	(690,301)	-	(690,301)
Balance, June 30, 2015	81,450,322	9,360,414	633,496	(12,260,484)	2,541,910	275,336

The accompanying notes are an integral part of these consolidated interim financial statements.

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the three months ended June 30, 2015 \$	For the three months ended June 30, 2014 \$	For the six months ended June 30, 2015 \$	For the six months ended June 30, 2014 \$
OPERATING ACTIVITIES				
Net loss for the period	(380,409)	(381,938)	(690,301)	(1,028,735)
Net changes in non-cash working capital items:				
Receivables	(325)	(4,778)	536,007	(105)
Accounts payable and accrued liabilities	110,501	(178,339)	95,130	(123,616)
Prepaid expenses	(273,353)	5,443	(264,861)	18,907
Advances	-	(2,400)	-	(95,820)
Net operating cash flows	(543,586)	(562,012)	(324,025)	(1,229,369)
INVESTING ACTIVITIES				
Purchase of equipment	(26,350)	-	(26,350)	-
Mineral property expenditures	(31,813)	-	(31,813)	-
Net financing cash flows	(58,163)	-	(58,163)	-
FINANCING ACTIVITIES				
Changes in due to/from Bayhorse Silver Inc.	-	-	-	110,668
Shares to be issued	275,483	8,424	611,080	1,172,177
Share issuance costs	-	(644)	-	(135,989)
Net financing cash flows	275,483	7,780	611,080	1,146,856
Increase/(decrease) in cash	(326,266)	(554,232)	228,892	(82,513)
Cash and cash equivalents, beginning of period (Note 11)	555,586	622,639	428	150,920
Cash and cash equivalents, end of period (Note 11)	229,320	68,407	229,320	68,407

Supplemental non-cash transactions (Note 7)

The accompanying notes are an integral part of these consolidated interim financial statements.

**TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)**
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND JUNE 30, 2014

1. NATURE OF OPERATIONS AND GOING CONCERN

Transatlantic Mining Corp. (formerly Archeon Star Resources Inc.) (the “Company”) was incorporated under the Business Corporations Act (British Columbia). The Company is engaged in the acquisition and exploration of mineral property interests. The Company’s registered and head office is located at Suite 800 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5. The Company’s shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol “TCO”.

The accompanying consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company’s continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately the attainment of profitable operations and positive cash flows. Failure to obtain sufficient financing will have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated interim financial statements do not give effect to adjustments that might be necessary to the carrying values, classification of assets and liabilities, and the reported operating results should the Company be unable to continue as a going concern. For the six months ended June 30, 2015, the Company incurred an operating loss of \$690,301 (June 30, 2014 - \$1,028,735), and as at June 30, 2015 had a working capital deficit of \$365,316 (December 31, 2014 – \$227,932).

Management’s plan includes continuing to pursue additional sources of financing through equity offerings, and where practical, reducing overhead costs.

2. BASIS OF PRESENTATION

These consolidated interim financial statements were approved for issue by the board of directors on August 31, 2015.

Statement of compliance with International Financial Reporting Standards

These consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standard (“IFRS”) as issued by International Accounting Standards Board (“IASB”), and interpretations of the IFRS Interpretations Committee (“IFRIC”). Therefore, these consolidated interim financial statements comply with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

Consolidation

These consolidated interim financial statements include the records of the Company’s wholly owned Australian based subsidiary, Archeon Star Resources Australia Pty Ltd (“ASA”). All intercompany transactions, balances and any unrealized gains and losses from intercompany transactions are eliminated in preparing the consolidated interim financial statements.

**TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)**
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND JUNE 30, 2014

2. BASIS OF PRESENTATION (continued)

Significant estimates and assumptions

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Significant judgments

The preparation of the consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated interim financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of the functional currency of the parent company and its subsidiaries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

The Company's principal accounting policies are outlined below:

(a) Foreign Currency Translation

The consolidated interim financial statements for the Company and its subsidiary are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is the Canadian dollar. The functional currency of the Company and its subsidiary is the Canadian dollar.

**TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)**
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND JUNE 30, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Foreign Currency Translation (continued)

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the consolidated interim statements of comprehensive loss.

(b) Share-based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(c) Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of the mineral property when those obligations result from the acquisition, development or normal operations of the assets. The net present value of future rehabilitation cost estimates arising from decommissioning a site and other work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are renewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to comprehensive loss in the period incurred.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provisions as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss and incurred.

**TRANSATLANTIC MINING CORP.
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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Exploration and Evaluation Assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes: 1) researching and analysing historical exploration data 2) gathering exploration data through topographical, geochemical and geophysical studies 3) exploratory drilling, trenching and sampling 4) determining and examining the volume and grade of the resource 5) surveying transportation and infrastructure requirements 6) conducting market and finance studies.

Exploration and evaluation costs are charged to profit and loss as incurred except for expenditures associated with the acquisition of exploration and evaluation assets, which are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit and loss in the consolidated statements of comprehensive income or loss.

(e) Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Loss per Share

Basic loss per share is computed by dividing the net loss by the weighted average number of outstanding shares in issue during the reporting period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilute.

(g) Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in net assets that results from transactions and other events from non-owner sources and includes items that are not included in net profit (loss), such as unrealized gains and losses related to available for sale securities, gains and losses on certain derivative instruments and foreign currency and gains and losses resulting from the translation of self-sustaining foreign operations.

The Company has no items that are required to be reported in comprehensive income. Accordingly, net loss equals comprehensive loss.

(h) Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

**TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)**
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND JUNE 30, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial Instruments (continued)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within

12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

(i) Impairment of Non-Financial Assets

At each statement of financial position date, in accordance with IAS 36 "Impairment of Assets", the Company assesses whether there is any indication that any of those assets have suffered an impairment loss. If any indication exists, the Company estimates the asset's recoverable amount.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the reporting period. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset or CGU shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

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FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND JUNE 30, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of Non-Financial Assets (continued)

The recoverable amount is the greater of an asset's or CGU fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

(j) Warrants

The Company uses the residual method for accounting for warrants. Under this method warrants are assigned a value equal to the excess of the unit purchase price over the then prevailing market price of the Company's shares. When the units are priced at or below market there is no excess and the warrants are valued at nil.

(k) Segment Reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the mineral exploration segment. As the political risks, likelihood of positive results, assets, liabilities and cash flows of the mineral exploration segment are substantially the same to those of the consolidated Company; no separate analysis has been provided.

(l) Comparative Figures

Certain comparative figures may have been reclassified to conform with current period's presentation.

(m) Accounting Standards Newly Adopted

IFRS 9, Financial Instruments, is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted this revised standard and is currently assessing the impact that it will have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND JUNE 30, 2014

4. MINERAL PROPERTY

	Gnaweeda Gold Project (\$)	Monitor Project (\$)	Total for the six months ended June 30, 2015 (\$)	Total for the year ended December 31, 2014 (\$)
Acquisition costs				
Balance, beginning	3,657,414	269,989	3,927,403	3,802,403
Additions	-	344,313	344,313	125,000
Disposition	(3,657,414)	-	(3,657,414)	(3,657,414)
Balance, ending	-	614,302	614,302	269,989

(a) Gnaweeda Gold Project

On November 4, 2009, the Company's newly acquired subsidiary ASA and Teck Australia Pty Ltd. ("Teck") entered into an Option Agreement whereby the Company can earn 100% of Teck's interest in the following Chalice Gold Mines Ltd.'s ("Chalice") tenements ("Gnaweeda Gold Property") located in Western Australia.

Upon Teck acquiring a 70% interest in the Gnaweeda Project, Chalice chose to become a joint venture participant with Teck. However, Chalice will not contribute to the exploration program and its interest in the joint venture will therefore dilute. Teck has earned an 87.07% interest in the tenements.

At any time after ASA exercises the option, Teck has the option to earn back a 75% interest provided that it delivers a notice to ASA and incurs aggregate expenditures of AUD\$7.5 million before the fourth anniversary of such notice. If Teck exercises its option, ASA and Teck will form a joint venture to further develop the tenements and share the expenditures (ASA -25% and Teck – 75%). Should Teck elect not to form such a joint venture, it will be entitled to a 10% net profits interest royalty on the tenements.

In order to earn the interest, the Company has to spend AUD\$3,200,000 over a four year period as follows:

- (i) AUD\$200,000 on or before March 31, 2010 (completed)
- (ii) AUD\$750,000 on or before the 1st anniversary, November 4, 2010 (completed);
- (iii) AUD\$750,000 on or before the 2nd anniversary, November 4, 2011 (completed);
- (iv) AUD\$750,000 on or before the 3rd anniversary, November 4, 2012 (completed); and
- (v) AUD\$750,000 on or before the 4th anniversary, November 4, 2013 (completed).

As at June 30, 2015, ASA spent AUD\$2,920,377 (December 31, 2014 - AUD\$2,920,377), before 12% charges on the expenditures for administrative services, on the Gnaweeda Gold Property. After the addition of the allowable 12% administration charges, ASA has spent AUD\$3,270,822 (December 31, 2014 – AUD\$3,270,822) and has completed the property expenditure requirement for the fourth anniversary payment.

TRANSATLANTIC MINING CORP.
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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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4. MINERAL PROPERTY (continued)

(a) Gnaweeda Gold Project (continued)

By spending in excess of AUD\$3,200,000 in property expenditures, including the permitted 12% administration fee, on the Gnaweeda Gold Project within the time period as outlined in the option agreement, the Company has earned Teck's approximately 87.07% interest in Gnaweeda, subject to a 75% back in right by Teck, and the Company provided Teck with a notice of exercise of the option.

On July 4, 2014, the Company entered into an agreement with an arm's-length party to dispose of its Gnaweeda property, comprising interests in five tenements in Western Australia. As consideration for the property, the Company received a deposit of AUD \$5,000 and received a further AUD \$495,000 in the six months ended June 30, 2015. The Company will receive a further AUD \$500,000 upon establishment of a Joint Ore Reserves Committee-compliant mineral resource of at least 150,000 ounces of gold, and AUD \$250,000 for every consecutive 50,000 ounces of poured gold sourced from the property, capped at 200,000 ounces of poured gold for a total of AUD\$1 million. At December 31, 2014, the Company recognized a receivable of \$516,818 (AUD \$495,000 plus GST of AUD \$50,000) for the payment received after December 31, 2014. The Company realized a loss on sale of the property of \$3,191,290, which includes write off of related receivables of \$23,480 and prepaid expenses of \$8,565.

On December 29, 2014 the Company filed a draft valuation of its Gnaweeda property with the TSXV with respect to the disposition of the property, and obtained TSXV approval on March 31, 2015.

(b) Monitor Property

On February 5, 2013, the Company entered into an option and joint venture agreement with American Cordillera Mining Corporation ("AMCOR"), and Northern Adventures LLC ("NALLC") whereby it has the right to earn 80% of AMCOR's 100% leasehold Interest in a Purchase Option Mining Lease Agreement between AMCOR and NALLC on the Monitor Property, located in Idaho, USA. In order for the Company to earn the 80% interest in the Monitor Property, subject to certain underlying royalties, the Company must:

- (i) pay US\$25,000 in cash (paid);
- (ii) incur property expenditures of US\$2.1 million over three years, of which the first US\$700,000 is a firm commitment; and
- (iii) issue 3,000,000 common shares of the Company in stages, of which 1,000,000 common shares were issued upon TSXV acceptance (issued with a fair value of \$130,000) (Note 6), a further 1,000,000 common shares on the first anniversary (issued with a fair value of \$125,000) (Note 6), and the final 1,000,000 common shares on the second anniversary (issued with a fair value of \$125,000).

On March 12, 2015, the Company signed an amended agreement which confirmed that the first US\$700,000 in expenditures has been satisfied, the second US\$700,000 in expenditures is extended to February 6, 2016, and the third US\$700,000 in expenditures is extended to February 5, 2017. In exchange for this extension, the Company must pay additional consideration of

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4. MINERAL PROPERTY (continued)

(b) Monitor Property (continued)

1,500,000 common shares (issued) and \$25,000 cash (paid) within 20 days of execution of the amendment.

The Company shall have the right to exercise a buyout clause and thereby purchase a 100% interest in the Property from NALLC, and thereby terminate the Purchase Option Mining Lease Agreement. Upon exercise of this buy-out option, AMCOR shall be obligated to contribute 20% of the cost of the acquisition of the property.

If the Company exercises the option AMCOR shall receive a 20% carried interest until such time as the earlier of:

- (a) a NI 43-101 compliant Feasibility Study is done; and
- (b) The Company has notified AMCOR in writing of its decision to proceed with mining of the property.

At this time, a joint venture shall automatically be deemed to be formed between the Company and AMCOR, where AMCOR will hold a 20% joint venture interest and the Company will hold an 80% joint venture interest in the Monitor claims.

During the year ended December 31, 2014, the Company paid a fine of \$50,641 to the US Department of Agriculture ("USDA") to resolve the Forest Service's resource damage claim, which was recognized in comprehensive loss.

(c) Ansongo Manganese Project

On December 10, 2013, the Company signed a non-binding term sheet with Tassiga Ltd. ("Tassiga") pursuant to which the Company proposes to initially acquire a 30% ownership in the Ansongo manganese project ("Ansongo Project"), with a three-year option to acquire up to 70% of the project.

On July 4, 2014, the Company entered into a letter agreement with respect to the acquisition of an interest in the Ansongo Project in Mali, West Africa, which replaces the term sheet of December 10, 2013. Under the new letter agreement, the Company can acquire, by outright purchase and the exercise of options, up to a 58.31% indirect interest in the Ansongo Project by acquiring issued shares of Ansongo Ltd. ("Ansongo"), which owns an indirect 70.419% interest in the project through various subsidiary companies, as follows:

- The Company has agreed to purchase 3,335 Ansongo shares representing an indirect 4.70% interest in the Ansongo project for \$1,000,000;
- The Company has the option to purchase a further 18,259 Ansongo shares representing an indirect 25.72% interest in the Ansongo project by:

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4. MINERAL PROPERTY (continued)

(c) Ansongo Manganese Project (continued)

- Incurring a minimum of \$3,000,000 in exploration and development expenditures on or before June 30, 2016, of which \$500,000 is to be incurred within 90 days of TSXV acceptance and a further \$500,000 is to be incurred by June 12, 2015; and
- Issuing to the vendor 30,000,000 common shares of the Company on or before June 30, 2016.
- The Company has the option to purchase a further 19,806 Ansongo shares representing an indirect 27.89% interest in the Ansongo project by :
 - Issuing 2,000,000 common shares of the Company, provided the market price for the Company's shares at the time is at least \$0.20 per share. If the market price is not at least \$0.20 per share, the payment may be made in cash with the agreement of the parties at the rate of \$400,000 or the market price at the date of exercise multiplied by 2,000,000, whichever is the greater.

In addition to the foregoing, if after the exercise of the first option and prior to July 30, 2016, the market price for the Company's shares is \$0.50 per share or greater, the Company is required to issue to the vendor an additional 5,000,000 common shares of the Company.

The vendor of the Ansongo Project is a private company in which Gregor Theiser, a previous director of the Company, is a shareholder. Accordingly, the transaction is not an arm's-length transaction under TSXV policy.

On December 29, 2014, The Company received a notice of termination with respect to its agreement to acquire an interest in the Ansongo Project. Under the terms of the agreement, the amount paid of \$582,670 and expenses incurred of \$417,330, for a total of \$1,000,000 plus 10% interest is to be returned to the Company. The Company is currently assessing its position with respect to the purported termination. As the recovery of the funds is uncertain, the receivable was written off resulting in an impairment charge of \$582,670.

Mineral property expenses are as follows:

	For the Period Ended June 30, 2015		
	Gnaweeda Gold Project (\$)	Monitor Property (\$)	Total (\$)
Acquisition and holding costs	(14,218)	13,826	(392)
Drilling contractor	-	5,753	5,753
Field costs and supplies	-	92,012	92,012
Geologists, geophysical contractors, geotechnician	8,342	112,809	121,151
Other rentals	-	3,291	3,291
Travel, accommodation and fuel	-	1,720	1,720
Total	(5,876)	229,411	223,535

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4. MINERAL PROPERTY (continued)

	For the Six Months Ended June 30, 2014		
	Gnaweeda Gold Project (\$)	Monitor Property (\$)	Total (\$)
Acquisition and holding costs	15,179	7,922	23,101
Administrative	-	2,215	2,215
Assays and analysis	-	3,241	3,241
Geologists, geophysical contractors, geotechnician	-	6,744	6,744
Insurance	1,496	-	1,496
Other rentals	9,032	330	9,362
Shipping	-	5,674	5,674
Travel, accommodation and fuel	-	31,385	31,385
Total	25,707	57,511	83,218

5. RELATED PARTY TRANSACTIONS

The following table summarizes services provided by related parties:

	Six Months Ended June 30, 2015 (\$)	Six Months Ended June 30, 2014 (\$)
Management (a)	90,000	29,840
Professional fees (b)	-	32,986
Consulting (c)	222,335	313,127
	312,335	375,953

(a) The Company paid management fees of \$60,000 (June 2014 - \$Nil) to Rob Tindall, a director and Chief Executive Officer.

The Company paid management fees of \$30,000 (June 2014 - \$Nil) to Steve Hodgson, a director.

The Company paid management fees of \$Nil (June 2014 - \$29,840) to AN Consulting, a company controlled by a former Chief Executive Officer.

(b) The Company paid accounting fees of \$Nil (June 2014 - \$32,986) to Bridgemark Financial Corp. ("Bridgemark"), a company controlled by the former Chief Financial Officer.

(c) The Company paid consulting fees of \$222,335 (June 2014 - \$Nil) to Bernie Sostak, a director.

The Company paid consulting fees of \$Nil (June 2014 - \$313,127) to Gregor Theiser, former director and Chief Executive Officer.

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5. RELATED PARTY TRANSACTIONS (continued)

At December 31, 2014, the Company wrote off \$582,670 receivable (December 31, 2013 - \$522,280) receivable from Tassiga, which is related to Gregor Theiser, a former director and Chief Executive Officer (Note 4).

As of June 30, 2015, \$506,523 (December 31, 2014 - \$352,354) is due to related parties for the services above.

Amounts due to/from related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. ISSUED CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Share Capital transactions

Six months ended June 30, 2015

During the six months ended June 30, 2015, the Company received an equivalent of \$611,080 for share subscriptions.

On March 18, 2015, the Company issued 1,000,000 common shares with a fair value of \$125,000 pursuant to the Monitor Property (Note 4).

On April 21, 2015, the Company issued 1,500,000 common shares with a fair value of \$312,500 pursuant to the Monitor Property (Note 4).

Year ended December 31, 2014

On March 12, 2014, the Company issued 1,000,000 common shares with a fair value of \$125,000 pursuant to the Monitor Property agreement (Note 4).

The Company received \$1,323,086 (2013 - \$607,744) in share subscriptions toward a private placement to issue up to 40,000,000 common shares at a price of \$0.10 per share for gross proceeds of up to \$4,000,000. As at December 31, 2014, the private placement had not closed.

(c) Stock Options

The Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant.

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6. ISSUED CAPITAL (continued)

(c) Stock Options (continued)

The option price shall be not less than the discounted market price on the grant date, and the expiry date shall be set by the board at the time of grant of the option.

	Options	Weighted average exercise price (\$)
Balance December 31, 2013	3,286,000	0.12
Expired	(1,000,000)	0.16
Balance December 31, 2014 & June 30, 2015	2,286,000	0.10

As at June 30, 2015, the following stock options were outstanding and exercisable:

Number	Weighted Average Exercise Price (\$)	Expiry Date	Weighted Average Remaining Contractual Life (in years)
1,786,000	0.10	April 9, 2017	1.78
500,000	0.10	December 14, 2017	2.46
2,286,000	0.10		1.93

These options entitle the holder thereof the right to acquire one common share for each option held. The fair value of each option is estimated on the grant date using the Black-Scholes option valuation model assuming no expected dividends. The range of assumptions used in calculating fair value is as follows.

	December 31, 2013
Risk free interest rate	1.29%
Expected life (in years)	5.00
Expected volatility	154.37%
Expected dividend yield	0%

For the year ended December 31, 2014, the Company recognized \$Nil (2013 - \$132,239) in compensation expense which was charged to operations.

(d) Warrants

	Warrants	Weighted average exercise price (\$)
Balance, December 31, 2013	22,096,665	0.12
Expired	(583,333)	0.12
Balance, December 31, 2014	21,513,332	0.12
Expired	(700,000)	0.20
Balance, June 30, 2015	20,813,332	0.12

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6. ISSUED CAPITAL (continued)

(d) Warrants (continued)

As at June 30, 2015, the following warrants were outstanding and exercisable:

Number	Weighted Average Exercise Price (\$)	Expiry Date	Weighted Average Remaining Contractual Life (in years)
12,479,999*	0.12	November 22, 2015*	0.40
8,333,333**	0.12	December 14, 2015**	0.46
20,813,332	0.12		0.41

*On October 29, 2013, the expiration date was extended from November 22, 2013 to November 22, 2015.

**On December 12, 2014, the expiry date was extended from December 14, 2014 to December 14, 2015.

7. NON-CASH TRANSACTIONS

During the six months ended June 30, 2015:

a) The Company issued 2,500,000 common shares at 0.125 cents totaling \$312,500 pursuant to the Monitor Property Agreement (Note 4).

During the year ended December 31, 2014:

a) The Company issued 1,000,000 common shares at 0.125 cents totaling \$125,000 pursuant to the Monitor Property Agreement (Note 4).

8. SETTLEMENT WITH PREVIOUS MANAGEMENT

During the year ended December 31, 2013, the Company entered into a settlement with previous management whereby the previous management agreed to sell, to a third party, common shares of the company and to repay the Company for amounts borrowed and owed. The difference between money received of \$125,401 and net owed has been recorded as a net \$7,688 gain from settlement.

9. RECEIVABLES

The Company's receivables are broken down as follows:

	June 30, 2015 (\$)	December 31, 2014 (\$)
Sales tax receivable	5,999	25,188
Receivable for disposition of Gnaweeda Property (Note 4)	-	516,818
Total	5,999	542,006

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10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	June 30, 2015 (\$)	December 31, 2014 (\$)
Accounts payable	382,713	421,752
Accrued liabilities	-	20,000
Total	382,713	441,752

11. CASH AND CASH EQUIVALENTS

	June 30, 2015 (\$)	December 31, 2014 (\$)
Cash at bank	229,320	428
Total	229,320	428

12. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables, due to/from related parties, and accounts payable and accrued liabilities. Cash and cash equivalents and receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable is designated as other financial liabilities, which are measured at amortized cost.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

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13. MANAGEMENT OF CAPITAL AND FINANCIAL RISK

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk: Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and its receivables. This risk is managed through the use of a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's receivables relate to sales taxes from the Governments of Canada and Australia and a receivable for the disposition of the Gnaweeda property. The risk associated with its receivables is minimal.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk are assessed as high.

Currency risk: Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. The Company is exposed to currency exchange rate risk to the extent of its activities in Australia. Management believes the foreign exchange risk derived from currency conversions from the Australian operations is not significant and does not hedge its foreign exchange risk.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Australian dollars:

	June 30, 2015	December 31, 2015
	(\$)	(\$)
Cash and cash equivalents	58,533	11
Receivables	-	516,818
Accounts payable	(24,903)	(122,197)
	33,630	394,632

Based on the above net exposures, as at June 30, 2015, a 5% change in the Australian dollar to Canadian dollar exchange rate would impact the Company's net loss by \$1,682.

Industry risk: The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

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13. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

Interest rate risk: Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is not significant as the Company's assets and liabilities do not bear any interest.

Capital management: The Company manages its capital structure based on the funds available to the Company, in order to fund its general and administration expenses, support acquisition, maintenance, exploration, and development of mineral properties. The capital structure of the Company consists of equity and debt obligations, net of cash and cash equivalents. The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed. The Company is not subject to any externally imposed restrictions on capital. There were no changes in the Company's approach to capital management during the period.

14. SEGMENTED INFORMATION

Operating segments

The Company had one reportable operating segment, being the acquisition, exploration, and disposition of interests in mineral properties located in two geographical segments, Australia and USA.

Geographic segments

The following non-current assets, which consist of exploration and evaluation assets are located in the following countries:

	June 30, 2015	December 31, 2014
USA	614,302	269,989
Total	614,302	269,989

15. EVENTS AFTER THE REPORTING PERIOD

- On July 21, 2015, the Company has closed subscriptions for the private placement originally announced December 29, 2014. The Company has received subscriptions under the placement for 32,007,370 common shares at \$0.10, and has now filed for Exchange conditional and final approval.
- On July 21, 2015, the Company announced a new private placement of up to 20,000,000 units at \$0.10, with each unit comprising one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to purchase one common share at a price of \$0.125, exercisable for three years from the date of closing. Cash finders' fees of 7% may be paid to eligible parties.